DON FYDP Improvement

PPBS Business Process Review

DON PPBS Performance Improvement Draft Recommendations

31 Jan 02

KPMG Consulting

Outline

- FYDP Improvement Project Background
- PPBS Business Process Review and Analysis Overview
- PPBS Performance Improvement Focus Areas
- PPBS Performance Improvement Recommendations
- PPBS Notional To-Be Process Flow
- Next Steps

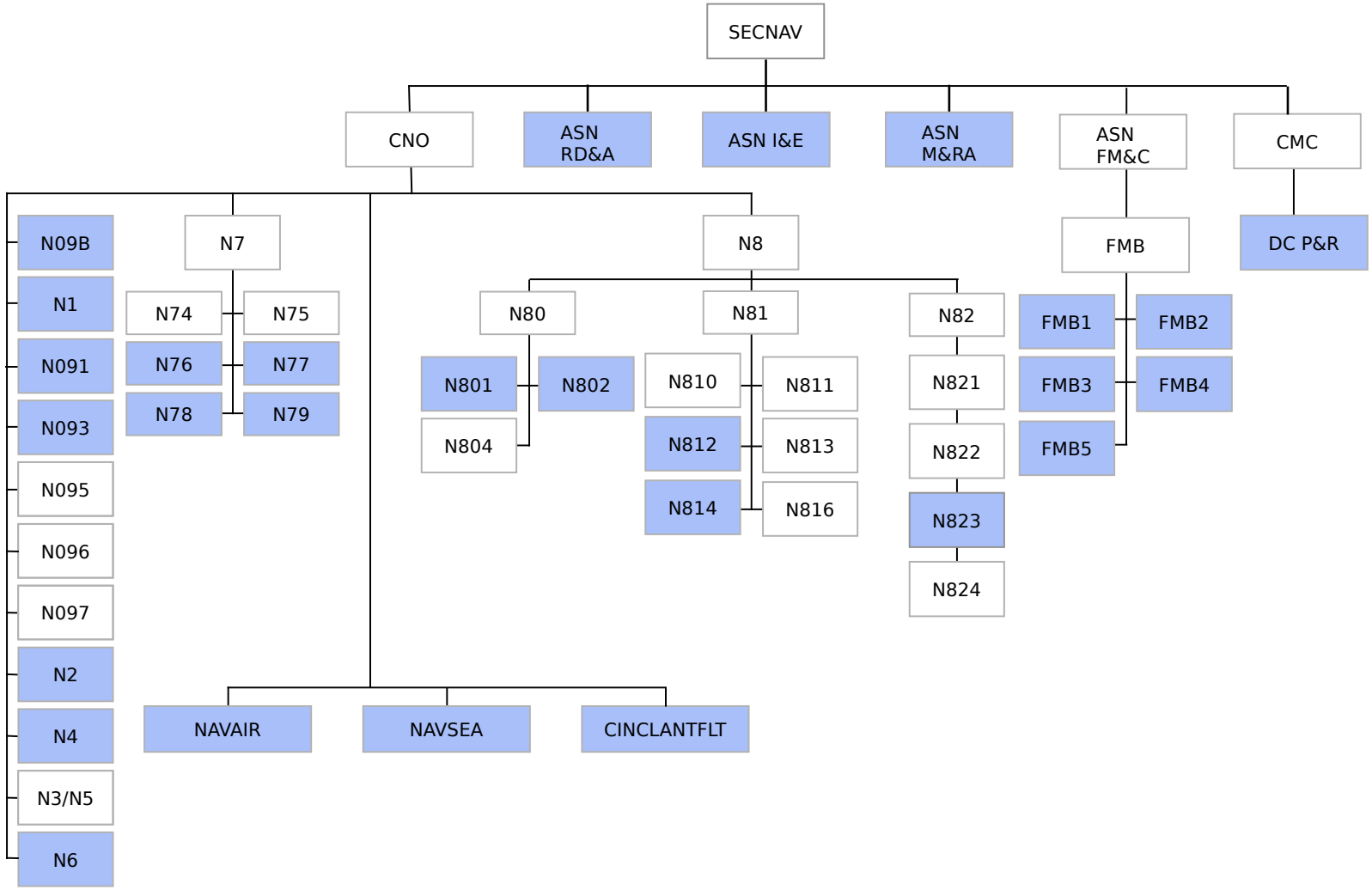
Background

- DON FYDP Improvement Project
  - DOD directed project to examine DON PPBS process and recommend constructive changes to reduce workload, improve data management and increase analytical capability
  - Comprised of 3 initiatives:
    - PBIS (Programming and Budgeting Information System) development
      - Replace WINPAT (programming) and NBTS (budgeting) systems
    - PE (Program Element) Restructuring
      - Better align PEs with Budget Line Items
    - Business Process Review and Analysis
      - Develop process related improvements

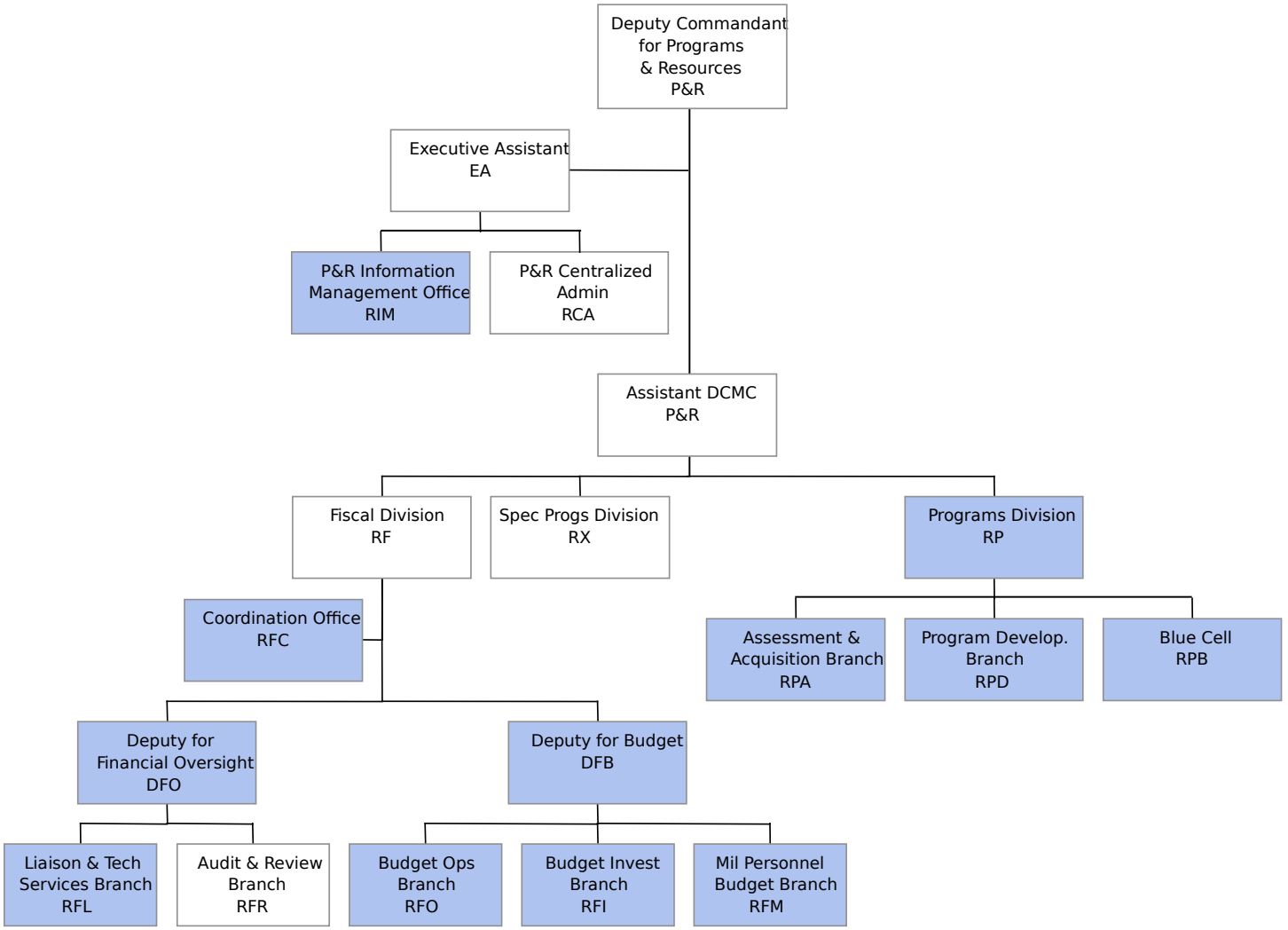
Business Process Review Efforts

- PPBS As-Is process model development
  - Top-down approach
  - Based on IDEF0 methodology
  - Over 100 Subject Matter Experts (SMEs) contacted
  - Over 50 working group meetings conducted
- Information system architecture mapping
  - High-level mapping of HQ PPBS information systems and interfaces
- Functional Audit of WINPAT and NBTS systems
  - Detailed matrix of system functionality
  - Mapping of WINPAT and NBTS system interfaces
- Catalogue of performance improvement opportunities
  - Derived from model development, SMEs, and functional audit

As-Is Scope (Who we've talked to)



As-Is Scope (USMC)


Deputy Commandant for Programs & Resources P&R
Executive Assistant EA
P&R Information Management Office RIM
P&R Centralized Admin RCA
Assistant DCMC P&R
Fiscal Division RF
Spec Progs Division RX
Programs Division RP
Coordination Office RFC
Assessment & Acquisition Branch RPA
Program Develop. Branch RPD
Blue Cell RPB
Deputy for Financial Oversight DFO
Deputy for Budget DFB
Liaison & Tech Services Branch RFL
Audit & Review Branch RFR
Budget Ops Branch RFO
Budget Invest Branch RFI
Mil Personnel Budget Branch RFM

As-Is Process Observations

- Business Process Review and Analysis resulted in:
  - 43 specific performance improvement observations
- Observations assessed by Importance and Feasibility
  - Observations plotted on an Importance / Feasibility Matrix
  - Result = 19 observations assessed as having relatively high Importance and Feasibility
- 19 Observations further refined down to 7 Focus Areas
  - Based on FYDP Improvement Project SES level steering committee review

DON HQ Performance Improvement Focus Areas

1. OSD/External PPBS Reporting
   - Time consuming; inconsistent sources
2. Information Sharing Across PPBS phases
   - Reluctance to share information; stovepiped organizations
3. Audit Trails Within PPBS process
   - Localized information systems and processes
4. Data Comparison Across PPBS
   - Inability to track common data; PE – Line item disconnect
5. Performance Measurement
   - Strategy to Budget disconnects; GPRA implications
6. Manpower Programming and Budgeting
   - Information contained in multiple systems; manual data manipulation
7. Timing Disconnects
   - Process takes too long; 18 months from Planning to Budget

Performance Improvement Recommendations

- Performance improvement recommendations have been developed and proposed for addressing the seven focus areas
  - Individual recommendations cross multiple focus areas
    - Recommendation / Focus area relationship is provided at the bottom of each recommendation slide

- These recommendations originate from:
  - Analysis of the As-Is DON PPBS IDEF0 process model
  - Research of commercial best practices
  - Interviews and working groups with more than 100 Subject Matter Experts including OPNAV, SECNAV, USMC and claimant personnel

- Presentation format for recommendations (pgs 10-21):
  - Problem
  - Proposed Solution
  - Benefits
    - Focus Area

Recommendations Summary

1. Concurrent POM-Budget Development
   a. Improve Communication Between Programming and Budgeting
   b. Combine POM - Budget Data Calls
   c. Consolidate DON POM & Budget Reviews
   d. Eliminate POM FYDP Submission
2. Data Collection
   a. Streamline Integrated Priority List (IPL), Component Commander Issue Paper (CCIP) & Sponsor Program Proposal Document (SPPD) process
   b. Improve Budget Exhibit Collection
   c. Automate FMB Analyst and Resource Sponsor Questions & Answers
3. System / Data Integration
   a. Link Execution Data to Programming and Budgeting
   b. Leverage Enterprise Resource Planning (ERP) at DON HQ
   c. Automate PBIS Report Distribution
4. Budget to Strategy Link
   a. Link DON Strategic Goals to Budget Line Items
   b. Improve Integration of Planning and Programming
5. Additional Recommendations in Progress
   a. Budget for Capital Accounts Differently than for Operating Accounts
   b. Improve Process for Managing Undistributed Budget Marks
   c. Improve Consistency Between HQ and BSO Level Budget Data Structure

1a - Improve Communication Between Programming & Budgeting (Concurrent POM-Budget Development)

- Problem:
  - Communication among BSOs, Program Managers, Resource Sponsors, N81, N80, and FMB is uncoordinated
- Proposed Solution:
  - Establish mandatory working groups early in the PPBS cycle (Mar) to review expected changes in the upcoming cycle
    - Participation should include BSO comptrollers, PMs, PEOs, FMB, RSs, N80 and N81
- Benefits:
  - More accurate pricing for programs early in the process
  - Transitions perception of FMB from an enemy of BSOs/PMs to an ally
  - Builds stronger programs

1b – Combine POM – Budget Data Calls (Concurrent POM-Budget Development)

- Problem:
  - Two independent data calls are issued to the field at separate times in the PPBS process
- Solution:
  - Combine the POM/new initiatives and budget data calls into a single data call that addresses the requirements of both N80/USMC P&R and FMB
- Benefits:
  - Earlier receipt of all the data necessary for Program and Budget decision making
  - Programming and Budgeting decisions are based off of the same set of data
  - Programming and Budgeting participate together in resolving program issues and identifying offsets to build strong programs

1c – Consolidate DON POM & Budget Reviews (Concurrent POM-Budget Development)

- Problem:
  - Multiple independent review forums exist for the POM and the BES resulting in redundant reviews of the same issues
- Proposed Solution:
  - Combine Senior leadership review sessions into one series of reviews after initial programming and budget positions have been developed and prior to submission to DoD
- Benefits:
  - Reviews are performed from a single consolidated perspective as opposed to 2 independent perspectives
  - Better understanding of full programmatic impacts of budget adjustments and vice versa
  - Reduces the time involved with the internal DoN review process

1d – Eliminate POM FYDP Submission (Concurrent POM-Budget Development)

- Problem:
  - Due to changes in OSD policy regarding concurrent submission of the POM and BES – the POM FYDP update does not add value
- Proposed Solution:
  - Change the requirements to submit a FYDP from three times per year to two times per year in conjunction with the BES and President's Budget submission
- Benefits:
  - Increases time for development of the DON POM
  - Allows greater coordination between Programming and Budgeting prior to the BES FYDP submission
  - Allows the Programming phase to concentrate on building better programs rather than producing a POM FYDP submission that could be incomplete

2a – Streamline IPL, CCIP, & SPPD Process (Data Collection)

- Problem:
  - Method of collecting IPL and CCIP data from the Fleet is inefficient
- Proposed Solution:
  - Develop a web-based data collection tool used for the submission and storing of IPLs, CCIPs, and SPPD responses
- Benefits:
  - Standardized database templates that enforce complete IPL & CCIP submissions
  - Database approach allows easily accessible historical archive for future reference
  - Reduces erroneous submissions and the time and effort involved in the submission process

2b – Improve Budget Exhibit Collection (Data Collection)

- Problem:
  - The method and system of collecting budget exhibits from BSOs is not as efficient as possible
- Proposed Solution:
  - Develop a web-based collection tool that uses an Oracle or SQL database for BSOs to submit and store their exhibits and required budget materials
- Benefits:
  - Templates for data entry would standardize all submissions and eliminate the need to manually correct formatting errors
  - Budget exhibits could be consolidated and summarized at varying level of details
  - Reports for submitting exhibits to OSD and Congress would be pre-constructed based on the necessary requirements

2c – Automate FMB Analyst & Resource Sponsor Questions and Answers (Data Collection)

- Problem:
  - There is a lack of consistency and standardization in the way in which responses to FMB and Resource Sponsor questions are collected
- Proposed Solution:
  - Collect responses to FMB and RS questions through a standardized web-based interface
- Benefits:
  - Will create a central repository from which to review questions and answers submitted from one cycle to the next
  - Responses stored in central location will enable multiple analysts to obtain information without repeating the same request
  - Reduces the amount of time required to respond to questions

3a - Link Execution Data to Programming and Budgeting (System/Data Integration)

- Problem:
  - The link between executed funds and their associated programs and budgets is difficult to determine in a timely and relevant manner
- Proposed Solution:
  - Implement PBIS functionality for comparing execution data to budgeting and programming/planning data
- Benefits:
  - Analysis of execution data as compared to programs and budgets could help improve predictive accuracy of future programs and budgets
    - 'Closed Loop' PPBS system including execution data provides valuable feedback to Planning, Programming and Budgeting

3b – Leverage Enterprise Resource Planning (ERP) at DON HQ level (System/Data Integration)

- Problem:
  - Capability lacking within DON enterprise to effectively share PPBS data, create and view universal PPBS audit trail, and perform comparative analysis of program and budget data
- Proposed Solution:
  - Leverage ongoing ERP efforts at the Claimant level (NAVAIR, NAVSEA, NAVSUP, SPAWAR) to develop a capability to access BSO PPBS data at the HQ level
- Benefits:
  - Automated roll-up and reporting of PPBS related information to DON HQ
  - Common master data across claimants
  - Support improved, accelerated decision making

3c – Automate PBIS Report Distribution (System/Data Integration)

- Problem:
  - Resource Sponsors, BSOs, PEOs, and PMs are often not aware of the latest adjustments to their programs
- Proposed Solution:
  - PBIS functionality should include automated report distributions to Resource Sponsors, BSOs, PEOs and Program Managers that highlight changes specific to each recipient's programs
- Benefits:
  - RSs, BSOs, PEOs, and PMs will be better able to track changes to their programs and respond to issues as they arise
  - RSs, BSOs, PEOs, and PMs will have more time to develop responses to programmatic and budget related issues
  - Improved communication between FMB, RSs, BSOs, PEOs, and PMs

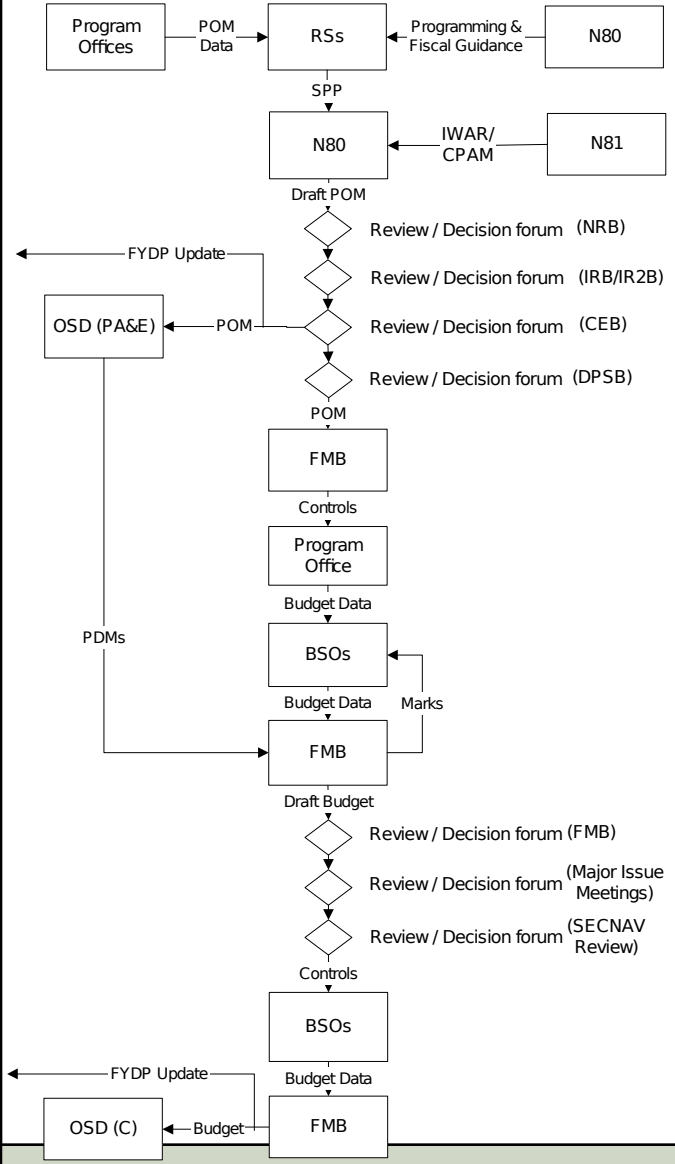
4a – Link DON Strategic Goals to Budget Line Items (Budget to Strategy Link)

- Problem:
  - DON Strategic goals are not directly linked to budget line items
- Proposed Solution:
  - Develop PBIS capability to capture a line item's or program's relationship to DON strategic goals
- Benefits:
  - Provides insight and feedback to management on how budget dollars support the organization's stated strategic goals
  - Information gathered can be used to adjust the budget or strategic goals as required
  - Contributes to meeting Government Performance and Results Act (GPRA) requirements

4b – Improve Integration of Planning and Programming (Budget to Strategy Link)

- Problem:
  - Planning efforts are disconnected from Programming and Budgeting phases of PPBS
- Proposed Solution:
  - Expand PBIS functionality to include the integration of planning data by linking program and budget line item level of detail to IWARs and CPAM data
  - Consider realignment of N81 with N80
- Benefits:
  - Tighter integration between Planning and Programming will ensure Planning efforts and outputs play an important role in shaping the DON POM

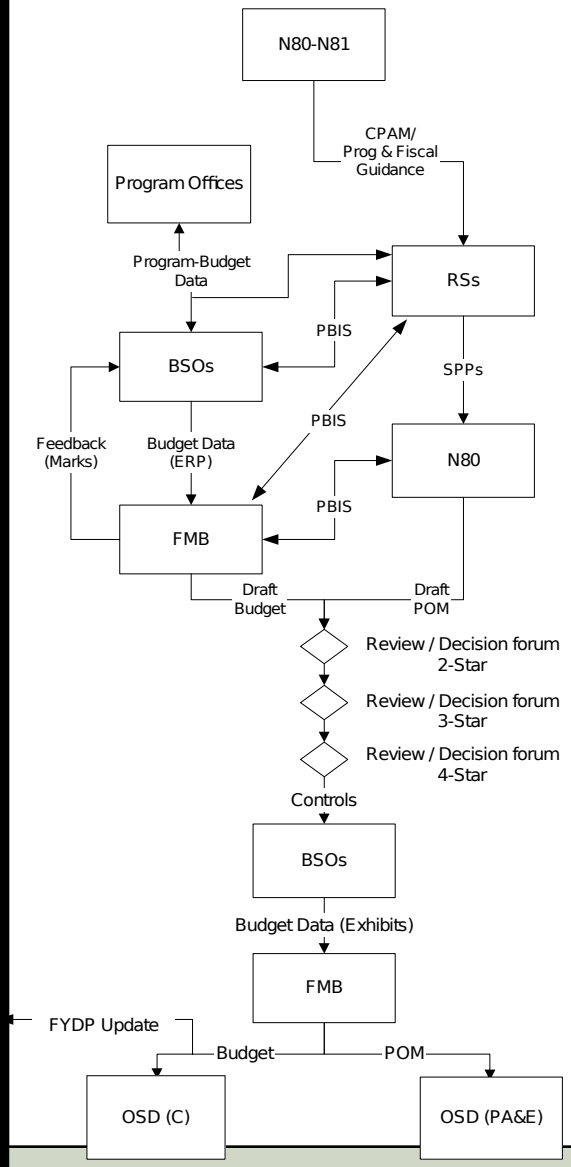
As-Is POM-Budget Process



Problems:

- Lack of Information Sharing
- Separate Databases
- Independent Data Calls
- Program Re-pricing
- Multiple Senior Level Reviews
- Multiple FYDP Updates
- Disconnected Planning and Programming Processes
- Timing Disconnects

Notional To-Be POM-Budget Process



Improvements:

- Improved Information Sharing
- PBIS is common database / single source of Program – Budget Data
  - Automated reports “pushed” to users
- FMB involved early in the process to examine programs for executability, phasing, and pricing
- One set of consolidated POM-Budget Senior Management Reviews and Decisions Forums
- POM FYDP update eliminated
- Claimant ERPs leveraged to transact budget data between BSOs and FMB
- Combined N81 and N80 organization
- CPAM used as basis for Programming and Fiscal Guidance issued to resource sponsors

Next Steps

- Validate performance improvement recommendations
- Prioritize and select recommendation(s) for implementation
- Obtain go ahead from approval authority
- Develop implementation plan
- Implement recommendation(s)